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EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME

Forty-seventh session

OVERVIEW OF UNHCR ACTIVITIES
1995-1997

ADDENDUM 3 - UPDATE ON UNHCR PROGRAMME AND FUNDING PROJECTIONS FOR 1996 AND 1997

I. INTRODUCTION

1. An update of UNHCR programme expenditure and funding projections for 1996 and tentative estimates for the 1997 General Programmes target was presented to the third meeting of the Standing Committee on 25 to 27 June 1996 (EC/46/SC/CRP.30). A further update is reflected in document A/AC.96/865 (*Overview of UNHCR Activities: 1995 - 1997*). The present document provides further updated information (as at 1 September 1996) for 1996 and 1997 General Programmes and 1996 Special Programmes.

2. The current budgetary estimates for 1996 General Programmes remain at $ 445.3 million, of which $ 25.0 million are for the Emergency Fund and $ 20.0 million for the Voluntary Repatriation Fund, with unallocated balances remaining of $ 16.9 million for the Emergency Fund, $ 9.6 million for the Voluntary Repatriation Fund and $ 13.9 million for the Programme Reserve as of 1 September 1996. An update on the use of these funding sources is provided in paragraphs 8 to 10 below.

3. The initial budgetary estimates for 1997 General Programmes stand at $ 452.6 million, of which $ 25.0 million are for the Emergency Fund, $ 20.0 million for the Voluntary Repatriation Fund and $ 37.1 million for the Programme Reserve.

4. In documentation presented to the forty-sixth session of the Executive Committee, UNHCR provided initial projections for 1996 Special Programmes activities amounting to some $ 324.8 million, but excluding, *inter alia*, most operational requirements for the Burundi/Rwanda Emergency and the Special Operation in the former Yugoslavia (Table VII of document A/AC.96/845). These projections were broadened and updated for subsequent Standing Committee meetings. The most recent update was that found in Table II.3 of document A/AC.96/865. That update, as at 1 May 1996, showed revised programme needs under Special Programmes amounting to $ 958.7 million. A further update is attached as Annex 1 to this document and shows needs under Special Programmes, as at 1 September 1996, amounting to $ 887.3 million.

5. The present update provides additional information on 1996 General Programmes in Part II, whilst Part III deals with programme requirements under General Programmes in 1997. Special Programmes are dealt with in Part IV, while Part V sets out total funding projections for 1996.

II. 1996 GENERAL PROGRAMMES

6. At its forty-sixth session, the Executive Committee approved a target of $ 445.3 million for General Programmes for 1996. This estimate included $ 42.9 million as a Programme Reserve (representing 12 per cent of programme activities), $ 25.0 million for the Emergency Fund and $ 20.0 million for the Voluntary Repatriation Fund.

7. A programme/budgetary review carried out in August 1996 confirmed that the 1996 General Programmes budgets remain valid for the majority of country programmes. New or additional needs in some countries due to caseload increases or exchange-rate losses have, for the most part, been compensated by exchange-rate gains and programme changes in other countries. Consolidation of budgetary changes required as a result of the August review is still ongoing. However, any necessary additional requirements currently foreseen will be met through savings achieved elsewhere.

8. As regards the Programme Reserve, which stood at $ 24.4 million on 30 April 1996, some $ 10.5 million have since been allocated, mainly for assistance to Liberians in Guinea, Côte d'Ivoire and Sierra Leone, and assistance to Myanmar refugees in Bangladesh, thus leaving a balance of $ 13.9 million available for the remainder of the year. An update on the use of the Programme Reserve is provided in Annex 2 of this document; it replaces Table II.5 of document A/AC.96/865.

9. With regard to the Voluntary Repatriation Fund, allocations totalling $ 9.7 million had been made by 30 April 1996. Between 1 May and 31 August 1996, further allocations were made, leaving a balance of $ 9.6 million available for the remainder of the year. An update on the use of the Voluntary Repatriation Fund is provided in Annex 3 of this document; it replaces Table II.6 of document A/AC.96/865.

10. UNHCR made extensive use of the Emergency Fund during 1996. By 30 April 1996, $ 7.6 million had been allocated from the Fund for emergency needs. Total allocations as of 31 August 1996 amounted to $ 8.1 million, leaving a balance of $ 16.9 million available for the remainder of the year.

An update on the use of the Emergency Fund is provided in Annex 4; it replaces Table II.7 of document A/AC.96/865.

III. 1997 GENERAL PROGRAMMES

11. Details on the initial budgetary estimates for 1997 General Programmes of $ 452.6 million are provided in document A/AC.96/865. More detailed information, in the form of Regional Overviews, has been provided to the Standing Committee during the course of 1996. A comprehensive programme review will be carried out between October and December 1996, and updated requirements and funding projections will be presented to the Standing Committee in due course.

IV. SPECIAL PROGRAMMES

12. As regards Special Programmes, projections for 1996 are now some $ 62.3 million lower than those presented to the Standing Committee in June 1996 (EC/46/SC/CRP.30), mainly because the budgetary estimates have been decreased for the Burundi/Rwanda Emergency, Liberia, and the Horn of Africa. The decrease under the Burundi/Rwanda Emergency programme is primarily due to reduced rates of implementation resulting from the lack of funding for this programme.

13. Initial Special Programmes needs for 1997 stand at $ 690.5 million as projected in June 1996 (Table II.8 of document A/AC.96/865). It has to be noted, however, that these projections are provisional and will have to be updated as requirements evolve. In the light of the Regional Operations review (November 1996), updated 1997 estimates will be presented to the Standing Committee in January 1997.

V. TOTAL PROGRAMME AND FUNDING PROJECTIONS FOR 1996

14. Annex 1 provides updated projections for programme needs in 1996, as well as a forecast of income, including information on income actually received. Total income at 31 August 1996 amounted to $ 717.3 million. General Programmes remain a high priority for UNHCR and some $ 85.5 million in funding are still required to meet the 1996 General Programmes budgetary target. To facilitate planning and implementation of programmes until the end of the year, an early confirmation of likely further contributions would greatly assist UNHCR.

15. In regard to the Special Programmes set out in Annex 1, UNHCR at this juncture hopes to receive a further $ 194.1 million, which would leave a funding shortfall amounting to $ 98.6 million for the remainder of the year. UNHCR will remain in close contact with the donor community with a view to securing further resources, most urgently for repatriation/returnee programmes offering durable solutions to some longstanding refugee situations.

UNHCR – 1996 PROGRAMME/FUNDING REQUIREMENTS

(as at 1.9.96 – in millions of US dollars)

FUNDING SOURCE/PROGRAMMES	1996 PROGRAMME NEEDS AS PROJECTED AT 1.9.96 (1)	UNOBLIGATED FUNDS CARRIED OVER FROM 1995 (2)	1996 FUNDING REQUIREMENTS (1–2) (3)	FORECAST OF 1996 INCOME			CURRENT PROJECTIONS FOR SURPLUS/ (SHORTFALL) (6–3) (7)
				INCOME RECEIVED AS AT 1.9.96 (4)	PROJECTED FURTHER INCOME (5)	TOTAL PROJ. INCOME (4+5) (6)	
[A] GENERAL PROGRAMMES							
(i) Annual Programme							
Programmed Activities							
Africa	142.4						
Asia	34.9						
Europe	51.4						
Americas	23.1						
SWANAME	61.6						
Other Programmes	14.4						
Headquarters	48.1						
Sub-total	375.9						
Programme Reserve	24.4						
Sub-total (i)	400.3						
(ii) Voluntary Repatriation Fund	20.0						
(iii) Emergency Fund	25.0						
Total General Programmes	445.3	51.8	393.5	308.0	40.2	348.2	(45.3)
[B] SPECIAL PROGRAMMES							
– Repatriation programmes a/	167.8	55.8	112.0	53.9	44.5	98.4	(13.6)
– Burundi/Rwanda Emergency	253.0 b/	33.9	219.1	125.1	70.4	195.5	(23.6)
– Former Yugoslavia	348.3 c/	64.4	283.9	156.3	63.7	220.0	(63.9)
– Comprehensive Plan of Action	51.9	19.7	32.2	28.9	3.0	31.9	(0.3)
– Russian Federation (Chechnyans)	6.5	0.8	5.7	1.9	4.7	6.6	0.9
– Cyprus	10.0	6.7	3.3	0.0	0.0	0.0	(3.3)
– Georgia	7.4	2.3	5.1	3.6	2.6	6.2	1.1
– Azerbaijan	6.8	2.0	6.8	4.0	3.3	7.3	0.5
– Extra-budgetary Food d/	2.0	0.0	2.0	0.3	1.7	2.0	0.0
– Junior Professional Officer Scheme	6.0	4.9	1.1	4.7	0.0	4.7	3.6
– Miscellaneous	25.6	14.0	11.6	11.4	0.2	11.6	(0.0)
Total Special Programmes	887.3	204.5 e/	682.8	390.1	194.1	584.2	(98.6)
REGULAR BUDGET	25.6	0.0	25.6	19.2	4.7 f/	23.9	(1.7)
GRAND TOTAL (all sources of funds)	1,358.2	256.3	1,101.9	717.3	239.0	956.3	(145.6)

a/ breakdown on page 2.

b/ not taking into account $5.7 million allocated from the 1996 Emergency Fund to be reimbursed.

c/ as per the United Nations Revised Consolidated Inter-Agency Appeal for Bosnia Herzegovina, Croatia, the Federal Republic of Yugoslavia, the Former Yugoslav Republic of Macedonia and Slovenia (January – December 1996); excludes 1996 General Programmes requirements of $5.2 million.

d/ covers mainly complementary food items as well as other food commodities channelled through UNHCR.

e/ includes programmed activities only (total carry-over for Special Programmes amounted to US$ 244.5 million).

f/ UNHCR is required to make savings of some $1.7 million under the UN Regular budget.

REPATRIATION PROGRAMMES	1996 PROGRAMME NEEDS AS PROJECTED AT 1.9.96 (1)	UNOBLIGATED FUNDS CARRIED OVER FROM 1995 (2)	1996 FUNDING REQUIREMENTS (1 - 2) (3)	FORECAST OF 1996 INCOME			CURRENT PROJECTIONS FOR SURPLUS/ (SHORTFALL) (6 - 3) (7)
				INCOME RECEIVED AS AT 1.9.96 (4)	PROJECTED FURTHER INCOME (5)	TOTAL PROJ. INCOME (4+5) (6)	
Angola	30.9	2.5	28.4	9.3	7.5	16.8	(11.6)
Horn of Africa g/	43.7	15.4	28.3	15.4	10.3	25.7	(2.6)
Liberia	5.0	0.6	4.4	4.2	0.0	4.2	(0.2)
Mali/Niger	12.9 h/	0.0	12.9	0.8	5.1	5.9	(7.0)
Sierra Leone	- i/	-	-	-	-	-	-
Togo	9.1 h/	0.0	9.1	2.3	5.3	7.6	(1.5)
Myanmar	12.9	7.0	5.9	1.7	4.2	5.9	0.0
Lao People's Democratic Republic	j/	-		-	-	-	-
Sri Lanka	8.7	2.1	6.6	3.3	5.0	8.3	1.7
Viet Nam	j/	-		-	-	-	-
America. Guatemala	9.1	1.1	8.0	9.8	0.0	9.8	1.8
Afghanistan	34.0	17.8	16.2	7.1	7.1	14.2	(2.0)
Iraq	1.5	1.8	(0.3)	0.0	-	0.0	0.3
Western Sahara	k/	7.5	(7.5)	0.0	-	0.0	7.5
Total Repatriation Programmes	167.8	55.8	112.0	53.9	44.5	98.4	(13.6)

g/ covers requirements for repatriation and reintegration assistance in Djibouti, Ethiopia, Eritrea, Sudan and Somalia and requirements for the Cross Border Operation from Kenya;

h/ not taking into account prefinancing from the 1996 Voluntary Repatriation Fund as follows: Mali/Niger ($5.5 million) and Togo ($2.4 million);

i/ if repatriation materializes, funds will be made available from the 1996 Voluntary Repatriation Fund;

j/ requirements included in [B] Comprehensive Plan of Action;

k/ requirements to be assessed in 1996 depending upon the implementation of the United Nations Settlement Plan.

Annex 2
(Replaces Table II.5 of A/AC.96/865)

ALLOCATIONS FROM THE 1996 PROGRAMME RESERVE
through 1 September 1996
(in US dollars)

1. **Programme Reserve approved by the EXCOM Session held in October 1995 (Doc. A/AC.96/860 refers):** **42,892,100**

of which	Regular Programme Reserve:	35,743,500
	Exceptional Provision for Loss on Exchange at Headquarters:	7,148,600

2. **Allocations from the Regular Programme Reserve (by regions/countries)**

AFRICA		**AMERICAS**	
Burkina Faso	18,676	Argentina	25,300
Cameroon	35,500	Bolivia	11,900
Central African Rep	237,424	Belize	39,200
Côte d'Ivoire	3,235,600	Chile	45,700
Eritrea	367,900	Colombia	3,900
Ethiopia	618,100	Costa Rica	169,400
Guinea	5,377,600	Cuba	157,500
Kenya	26,500	Dominican Republic	66,100
Mozambique	127,200	Ecuador	4,700
Niger	169,000	Guatemala	29,000
Senegal	150,900	Mexico	381,100
Sierra Leone	587,000	Northern Latin America	58,300
Somalia	139,000	Peru	17,500
South Africa	48,200	El Salvador	54,000
Swaziland	239,300	Southern Latin America	15,600
United Republic of Tanzania	7,100	United States of America	127,500
Togo	73,800	Uruguay	20,300
Uganda	25,300	Venezuela	282,600
Zaire	816,200	Sub-Total	1,509,600
Zambia	38,100		
Zimbabwe	133,500		
Sub-Total	12,471,900	**SOUTH WEST ASIA, NORTH AFRICA & MIDDLE EAST**	
ASIA		Algeria	274,800
Bangladesh	1,679,100	Central Asian Republics	200,000
Hong Kong	444,500	Egypt	318,300
Sub-Total	2,123,600	Iran, Islamic Republic of	3,003,272
		Iraq	189,100
EUROPE		Jordan	29,000
Baltic States	301,300	Kuwait	28,400
Belarus	150,200	Libyan Arab Jamahiriya	22,100
Czech Republic	22,000	Saudi Arabia	18,900
France	150,940	Sub-Total	4,083,872
Malta	200,760		
Russian Federation	1,196,202		
Slovakia	3,839	**HEADQUARTERS**	1,662,800
Slovenia	21,550	Sub-Total	1,662,800
Sweden	43,800		
Turkey	753,100	**OTHER PROGRAMMES**	1,127,312
Ukraine	674,600	Sub-Total	1,127,312
Former Yugoslavia	12,100		
Other Countries	164,700		
Sub-Total	3,698,780	**Total Allocated**	**26,677,875**

3. **Allocations from the Exceptional Provision for Loss on Exchange at Headquarters**

Total Allocated	**2,277,600**

4. **Unallocated balance as at 01/09/96** **13,936,625**

of which	Regular Programme Reserve	9,065,625
	Exceptional Provision for Loss on Exchange at Headquarters	4,871,000

ALLOCATIONS FROM THE 1996 VOLUNTARY REPATRIATION FUND
through 1 September 1996
(in US dollars)

1. **Total allocation approved by the EXCOM Session held in October 1995 (Doc. A/AC.96/860 refers):** **20,000,000**

2. **Allocations**

Country/Area	Initial Allocation	Cancellations *1	Total allocated
AFRICA			
Burundi/Rwanda	4,000,000	4,000,000	0
Ethiopia	2,500,000	2,500,000	0
Kenya	500,000	500,000	0
Liberia	5,000,000	5,000,000	0
Mali	5,523,000 *2		5,523,000
Sierra Leone	260,000		260,000
Sudan	79,600		79,600
Togo	2,446,000 *2		2,446,000
Sub-Total	20,308,600	12,000,000	8,308,600
ASIA			
Cambodia	719,300	79,400	639,900
Sub-Total	719,300	79,400	639,900
EUROPE			
Russian Federation	230,000		230,000
Sub-Total	230,000	0	230,000
AMERICAS			
Dominican Republic	16,600		16,600
Sub-Total	16,600	0	16,600
SOUTH WEST ASIA, NORTH AFRICA & MIDDLE EAST			
Afghanistan	125,000		125,000
Iraq	40,000		40,000
Libyan Arab Jamahiriya	300,000		300,000
Mauritania	564,000		564,000
Middle East	72,300		72,300
Yemen	100,000		100,000
Sub-Total	1,201,300	0	1,201,300
Total Allocated	**22,475,800**	**12,079,400**	**10,396,400**

3. **Unallocated balance as at 01/09/96** **9,603,600**

*1 subsequent to the receipt of contributions in response to special funding appeals or reduction in requirements.

*2 Expected to be at least partially cancelled as a result of contributions to special funding appeals.

ALLOCATIONS FROM THE 1996 EMERGENCY FUND
through 1 September 1996
(in US dollars)

1. **Total Emergency Fund approved by the EXCOM Session held in October 1995 (Doc. A/AC.96/860 refers):** **25,000,000**

2. **Allocations**

Country/Area	Month	Activity	Amount allocated
AFRICA			
- Burundi	January	Burundi/Rwanda Emergency	500,000 *
- Ghana	May	Liberian Refugees	500,000
- Sierra Leone	February	Liberian Refugees	287,000
- United Republic of Tanzania	January	Burundi/Rwanda Emergency	5,050,000 *
- Other Countries	January	Burundi/Rwanda Emergency	150,000 *
Sub-Total			6,487,000
ASIA			
- China	February	Relief Act. in Earthquake Affected Ref. Areas	25,000
Sub-Total			25,000
SWANAME			
- Lebanon	April	Displaced Persons from Southern Lebanon	100,000
Sub-Total			100,000
OTHER PROGRAMMES			
-	December 95	Warehousing of Emergency Stockpiles	470,000
-	April	Warehousing of Emergency Stockpiles	1,000,000
Sub-Total			1,470,000
Total Allocated			**8,082,000**

3. **Unallocated balance as at 01/09/96** **16,918,000**

* Expected to be at least partially cancelled as a result of contributions to special funding appeals.

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EXECUTIVE COMMITTEE OF THE
HIGH COMMISSIONER'S PROGRAMME

Forty-seventh session

OVERVIEW OF UNHCR ACTIVITIES
1995-1997

ADDENDUM 4: REPORT OF THE ADVISORY COMMITTEE ON ADMINISTRATIVE AND BUDGETARY QUESTIONS

GE.96-02832

1. The Advisory Committee on Administrative and Budgetary Questions has considered the High Commissioner's report entitled Overview of UNHCR activities, 1995-1997 (A/AC.96/865) which, as stated in paragraph 1 of the introduction to the report "gives a consolidated picture of UNHCR operations, with particular focus on administrative and budgetary issues".

2. The Advisory Committee also had before it the following documentation:

i) Montbrillant Building: Rental costs (EC/46/SC/CRP.40)
ii) Audit of Implementing partners (EC/46/SC/CRP.45)
iii) Project Delphi: Plan of Action (EC/46/SC/CRP.48)
iv) UNHCR Inspection and Evaluation Activities (A/AC.96/870)

3. In addition, the Report of the Board of Auditors to the General Assembly on the accounts of the voluntary funds administered by the UNHCR for the period ended 31 December 1995 (A/AC.96/869) was available to the Committee; the Committee was later provided with an advance copy of the measures taken or proposed by UNHCR in response to the Board's recommendations (A/AC.96/869/Add.1). During its consideration of these reports on 9 and 10 September 1996, the Advisory Committee met with representatives of the High Commissioner who provided additional information and clarification.

4. The Advisory Committee commends and welcomes UNHCR's efforts to further improve the format of its budget reports which has been streamlined and made more cohesive. With regard to the Overview document the Advisory Committee notes that in the main, the recommendations of the Committee have been followed, and that the document has been made more "user friendly". The Committee recommends that further streamlining of the Overview document could be achieved by eliminating information such as that contained in paragraphs 14 to 23 of Chapter 1 since the same information is available in greater detail in Chapter VIII of the document.

Governance

5. The Advisory Committee recalls its observations in paragraphs 37 to 41 of its report A/AC.96/854. On enquiry, the Advisory Committee was informed that during 1996 the Standing Committee was scheduled to meet in four sessions of approximately 2 to 3 days for a total of 10 days. By the end of the cycle of meetings from January to September, the Standing Committee is expected to have received from the High Commissioner, a comprehensive and integrated report on all programmes in all of the five regions of UNHCR's operations. In the view of the number and complexity of items on the agenda of the Standing Committee, the Advisory Committee trusts that the Executive Committee would ensure that the sessions of the Standing Committee are such as to enable that body to discharge adequately the functions assigned to it by the Executive Committee.

6. The Advisory Committee believes that related to the issue of governance and oversight, is the question of accountability of implementing

partners. In this connection the Advisory Committee notes the comments in paragraph 14 of document A/AC.96/868 that in light of the interest expressed by a number of NGOs in enhancing their participation as observers in the Executive Committee and Standing Committee, the forty-seventh session of the Executive Committee may wish to establish a process of consultation on this issue and to ask the Standing Committee to take appropriate action as part of its inter-sessional programme of work in 1997. The Advisory Committee recommends that a mechanism be established whereby representatives of NGOs and, as appropriate, of other implementing partners, can be available when questions of their accountability and performance are being discussed by the Executive Committee or its subsidiary bodies in the context, for example, of the review of reports such as those of the Board of Auditors, the ACABQ, and inspections and evaluation reports etc.

Resources

7. Details of resources made available during 1995 as well as projections of expected resources during 1996 and 1997 are outlined in paragraphs 15 to 21 of Chapter II of the Overview document. The Advisory Committee requested and received a table (Attached below as Annex 1) showing total resources received and projected for the years 1993 to 1996 together with the carry over into each year from the previous year. The table also shows expenditures for the years 1993 through 1996 with a breakdown of expenditures incurred or to be incurred in respect of operational activities, programme delivery and administrative support.

8. As can be seen from the table attached below, while total resources have shown a decline for the years from 1993 through 1996 ($1,595,840,000 in 1993, $1,480,634,000 in 1994, $1,439,181,800 in 1995 and an estimated $1,228,640,900 in 1996), the combined total of programme delivery costs and administrative support expenditures for the same period have increased considerably. The Advisory Committee trusts that the various reviews being undertaken to streamline the operational aspects of UNHCR's activities will address this issue. In addition, notwithstanding the definition of Programme Delivery and Administrative Support costs as indicated in paragraph 6 of the introduction in the Overview document and the three broad categories of expenditure indicated in the Table (Annex I below), the Advisory Committee believes that these costs need to be better defined.

9. Regarding the carry-over of resources from the previous years as indicated in the table provided to the Advisory Committee (Annex I below); it was informed that the carry-over under General Programmes was the result of two factors. The three reserves (Programme Reserve, Emergency Fund, Voluntary Repatriation Fund) were generally not depleted at the end of each year; a number of country programmes, for a variety of reasons, experience difficulties in implementation and do not fully use their appropriation. With regard to the carryover in respect of Special Programmes, the Advisory Committee was informed that this was generally a result of the unpredictability of the situation in the field, the uneven pattern and timing of contributions throughout the year and the receipt of large contributions at the end of the year which are earmarked for activities in the subsequent year. The Advisory Committee was also informed that the carryover under both

General and Special Programmes has been essential for UNHCR as income from contributions is seldom adequate to begin implementation of programmes in the early part of each year.

10. As indicated in Table II.2 of Chapter II of the Overview document, for the period from 1 January to 31 December 1995 contributions in the amount $975,511,254 to UNHCR assistance programmes were received from some 20 major donors and that "the unpredictability of funding makes it imperative for UNHCR to maintain close contact with its 20 major donors" (para.15, Chapter II). The Advisory Committee trusts that every effort will be made to expand the donor base. On enquiry, the Advisory Committee was informed that host countries also make a significant contribution to UNHCR operations. The Advisory Committee trusts that future budget reports will reflect this fact.

11. Table II.1 of the Overview document sets out UNHCR expenditure in 1995 as well as estimates and projections for 1996 and 1997 from all sources of funding. As shown in that table and as indicated in paragraphs 11 to 14 (Ch.II) of the Overview document, programme needs in the revised estimates for 1996 (as at 1 May 1996) amount to 1,429,624,500 of which General Programmes account for $445,327,000 and Special Programmes amount to $958,659,000. The revised administrative support costs for both General and Special Programmes in 1996 and projected for 1997 are shown as $112,371,800 and $109,101,500 in Table II.1. Table II.3 sets out funding requirements for 1996 and the forecast of projected income for that year together with the current projections for a surplus/shortfall; a shortfall of $240.9 million has been shown as at 1 May 1996. As indicated in document A/AC/96/865/Add.3, updated revised estimates for 1996 (as at 1 September 1996) for General Programmes remain the same at $445.3 million, while Special Programme requirements as at 1 September 1996 are reflected as $887.3 million.

12. As indicated in paragraph 14 of the Overview, for 1997, initial programme needs as foreseen at 1 May 1996, are estimated at $452,612,000 for General Programmes and a preliminary estimate of Special Programmes needs is shown as $690,546,100; as indicated, updated information in this regard is scheduled to be presented to the Standing Committee in January 1997. (See A/AC.96/865/Add.3).

13. The Advisory Committee recalls its comments with regard to the increase in the total number of posts at UNHCR Headquarters, i.e. 841 as at 1 January 1995 and 843 as at 1 July 1995. (A/AC.96/854). As indicated in paragraph 7 of Chapter IX of the Overview document, as of 1 July 1996 there has been a slight decrease in the number of posts at UNHCR Headquarters, from 843 to 838. The Advisory Committee was also informed that as a result of the implementation of the Project Delphi Plan of Action (CRP.48) identification of posts at Headquarters would begin in the next phase of the project following the review of the Plan of Action (CRP.48) by the Executive Committee. It is envisaged that a significant reduction in the size of the Headquarters establishment would take place as functions are expected to be relocated to the Field. A reduction of some 200-250 posts at Headquarters is envisaged by the end of 1998. The Advisory Committee was informed however, that precise identification of the posts to be reduced would only be possible

once the Delphi Action Plan has been further developed. The Advisory Committee notes that the relocation of posts to the field and delegation of authority would contribute to UNHCR's efforts to decentralize functions and thus alleviate the burden at Headquarters both in terms of space and operating costs (see A/AC.96/854 para. 14 and 15). At the same time, the Committee points out that care should be taken to ensure that provision is made for enhanced monitoring and auditing of the programmes and activities in the field.

14. With regard to the post situation, the Advisory Committee was also informed that the savings required of UNHCR during the 1996-1997 biennium with respect to the United Nations regular budget contribution, amount to $3,469,100. UNHCR expects to achieve these savings by keeping vacant during the biennium, the equivalent of some 22 of the total of 244 posts financed by the United Nations regular budget contribution. The representatives of the High Commissioner emphasized that UNHCR attaches great importance to the regular budget contribution which, although amounting to only some 2 per cent of UNHCR's resources, reinforces the principle of the universality of UNHCR where direct support is provided by all Member States. The representatives of the High Commissioner also emphasized that a decline in regular budget funding adds to the general unpredictability of funding and affects the implementation of projects.

15. The Advisory Committee notes from paragraph 2 (Chapter II) of the Overview document that as at 31 December 1995 there were some 26.1 million persons of concern to UNHCR comprising refugees, returnees, internally displaced persons and others. On enquiry, the Advisory Committee was informed that the number stood at 27.4 million on 31 December 1994.

16. The Advisory Committee notes the number of persons of concern to UNHCR has been more or less stable for the past few years. In paragraphs 69 to 77 of its report for the period ending 31 December 1995, the Board of Auditors has pointed out the deficiencies in the estimates, selection and assessment of needs of the populations receiving assistance from UNHCR. Accordingly, there is a need to improve the methodology for counting and classification of persons assisted.

17. As indicated in paragraph 25, Chapter VIII of the Overview document, the Education Account was formally established by the Executive Committee in 1966. Since 1990, the Education Account has been used primarily to enable refugee students in developing countries obtain university/tertiary education. Since late 1993, as contributions for this purpose began declining, UNHCR has not accepted new students to be funded from the Education Account. In late 1995 the High Commissioner sought and obtained authorization from the Executive Committee to fund, if necessary, the remaining university students under General Programmes. For the academic year 1996/1997 there are 486 students; funds available as at 1 January 1996 under the Education Account amounted to $668,747. It is expected that for the academic year 1997/1998 there will be some 240 students remaining and that the programme is scheduled to end at that time. (Paragraph 26, Chapter VIII of the Overview document).

18. On enquiry, the Advisory Committee was informed that analysis was not yet available for the 1995/1996 academic year although for 1994/1995 75 per cent of the students were from 20 countries in Africa and 25 per cent from 20 countries in Asia, Latin America and the Caribbean as well as the Middle East. Studies were pursued in 25 countries in Africa and in 20 countries in the other three regions. No students were studying in developed countries. The average UNHCR contribution per student - including tuition fees and support was $1,380 per annum. In terms of numbers of students, the top five fields of study were commercial and business administration, engineering, economics, health care and teacher training.

19. The Advisory Committee notes from paragraph 28 (Chapter VIII) that the Albert Einstein German Academic Refugee Initiative (DAFI), established in 1992 and funded by Germany continues to assist refugee students to attend university-level courses. AS indicated in the document, in 1995 1,051 students were assisted under this programme for a total cost of $2,515,814.

Accommodation

20. The Advisory Committee recalls that in March 1992 it had considered the proposal of the High Commissioner to relocate UNHCR headquarters to the Immeuble Administratif de Montbrillant (IAM) in Geneva. (EC/SC.2/1991/CRP.27/Rev.1). It was the Committee's understanding that based on the then estimated construction costs of SwF 118 million, the annual rent for the entire building would amount to approximately SwF 4,728,000 of which SwF 3,748,000 would be a fixed amount representing loan repayments, (by FIPOI to the Swiss Government), and SwF 980,000 for building maintenance, the latter amount being tied to the local Consumer Price Index. The Advisory Committee had indicated that it had no objection to the proposed rental of the new building subject to UNHCR's further renegotiating the overall terms of the offer, including rental and maintenance costs. (A/AC.96/800).

21. In 1993, on enquiry, the Committee had been informed that maintenance costs included administrative costs, salaries for two maintenance workers and one technician as well as insurance costs for the new building. The Advisory Committee had recommended that UNHCR pursue negotiations with the Swiss authorities to reduce these costs. (A/AC.96/816)

22. The Advisory Committee recalls that the move to the new Montbrillant building (MBT) previously scheduled for May 1994 did not take place until mid 1995. In its report (A/AC.96/854) the Advisory Committee noted that UNHCR would not be required by the Swiss authorities to pay rental in 1995 for the new building in rue Montbrillant.

23. As indicated in document EC/46/SC/CRP.40, following a formal approach from the High Commissioner, rental at the reduced rate of SwF 2,400,000 has now been proposed, beginning 1 April 1996. It is the Advisory Committee's understanding that as long as UNHCR occupies the building it would have to pay an annual fixed rental of SwF 2,400,000 (see para. 24 below); in addition, there would be operating costs which have currently been set at SwF1,486,000 per annum. The Advisory Committee was informed that an

amount of SwF 172,020 which would have been charged as floor space tax has been waived. The Committee was also informed that a draft lease submitted by FIPOI to UNHCR envisages lease periods of 5 years; the lease would automatically be renewed for five year periods unless notice was given by either party 2 years before the end of a given 5 year period. UNHCR intends to negotiate this to match the extension of the mandate of the Office. The draft lease which the Advisory Committee did not review, also states that negotiations for the terms and conditions to purchase the building and its fixtures may be entered into by UNHCR at any time. The Advisory Committee trusts that negotiations for purchase, should they take place, will take account of the funds expended by UNHCR on fixtures.

24. The Advisory Committee was informed that the rental amount of SwF 2,400,000 per annum is based on the amount required by FIPOI to repay the construction loan to the Swiss Federal Government, over a period of 50 years. The amount of the loan is currently estimated at SwF 120 million based on building costs of SwF 111 million and SwF 9 million for "interet interclaire". "Interet interclaire" represents the cost which accrues during the construction of a building i.e. before there is a physical construction against which a mortgage can be raised and which could act as security for the loan made by the Swiss Government to the FIPOI. It is the Committee's understanding that the rental of SwF 2.4 million is a fixed amount based on the construction cost of SwF 120 million for the building. If in fact the level of the fixed rental rate may vary depending on the final construction cost, the Advisory Committee recommends that the matter be further negotiated with a view to establishing the rental of SwF 2.4 million as a ceiling. In this connection, the Advisory Committee was informed that changes still need to be made to the entrance to the building and the vehicle access to the building needs modification.

25. The Advisory Committee notes that in addition to rent free accommodation in 1995 and the first 3 months of 1996, the Swiss authorities have included in their construction costs provision of facilities amounting to SwF 3.7 million which normally would have been the responsibility of the tenant (EC/46/SC/CRP.40 para.1). The Advisory Committee was also provided with a comparative table showing rental costs for various premises rented by UNHCR as well as by other United Nations entities in Geneva. The average commercial rent in Geneva is shown at SwF 525 per sq. metre while the rate being made available to UNHCR for the Montbrillant building is at SwF 218 per sq. metre. (EC/46/SC/CRP.40/ Add.1)

26. The Advisory Committee notes the reference in paragraph 6 of EC/46/SC/CRP.40 to an additional cash contribution of SwF 2 million by the Swiss Government (subject to Parliamentary approval) to UNHCR's General Programmes from 1996 onwards. The Advisory Committee understands that this amount of SwF 2 million would be in addition to the 1995 total level of contributions. If this is not so, the Advisory Committee recommends that clarification be made to the Executive Committee.

27. Recalling its previous recommendation with regard to the proposed rental of the new building (A/AC.96/800, see para. 20 above) and subject to the Advisory Committee's comments and observations in paragraphs 20 to 26

above being addressed by the Executive Committee, the Advisory Committee believes that the proposal outlined in document EC/46/SC/CRP.40 would be a fair and reasonable arrangement.

28. Due to the delayed move into the building, in 1994 actual expenditure relating to accommodation, amounted to $7.6 million as against a revised estimate of $7.5 million (A/AC.96/845/Part I, para. 68). For 1995 the revised estimate was $3.6 million while the actual expenditure was $6.8 million, bringing the total expenditure for 1994-1995 to $14.4 million. The Advisory Committee was informed that the increase could almost entirely be attributed to the delay in moving to the Montbrillant building. Some of the reasons for the additional costs are enumerated in the Overview document (Ch.IX para.38). The Advisory Committee recalls that it had attached a detailed breakdown of the expenditure for 1994 and the revised estimate for 1995 to its report A/AC.96/854. The Advisory Committee did not receive a detailed breakdown of the actual expenditure in 1995 of $6.8 million but was informed that, in the main, the increase was due to the delay in moving into the building. This resulted in retaining the services, longer than originally planned, of experts associated with the move, and charges incurred for storage of furniture and equipment.

Audit of Implementing Partners

29. The Advisory Committee recalls that in its report A/AC.96/854 it had drawn attention to the comments of the Board of Auditors with regard to the deficiencies the Board had identified in areas such as maintenance of accounting records, preparation of accounts and maintenance of cash and bank accounts by implementing partners. The Advisory Committee notes that in its report for the period ending 31 December 1995 the Board has, inter alia, recommended that the capabilities of implementing partners to implement major projects should be assessed in greater detail, and procurement procedures adopted by implementing partners should also be reviewed.

30. From the report submitted to it (EC/46/SC/CRP.45), the Advisory Committee notes that the High Commissioner proposes to address some of the issues raised by the Board of Auditors. The Advisory Committee welcomes this initiative. The Advisory Committee regrets that it did not have before it the document containing the views of the Office of Internal Oversight Services and those of the Director of External Audit contained in document (EC/46/SC/CRP.45/Add.1) during its meeting with the representatives of the High Commissioner. This document was only made available to the Advisory Committee sometime after its meetings with the representatives of the High Commissioner. The Advisory Committee was informed that this was due to the fact that at the time of its meeting with the High Commissioner's representatives, the responses had not yet been received from the two entities.

31. The Advisory Committee notes with particular interest the information provided in paragraphs 6 and 7 of UNHCR's report (CRP.45). As indicated there, in 1995 UNHCR had 649 implementing partners who were undertaking 1408 sub-projects. Total disbursement for these projects

amounted to $486 million, which represented 42.5 per cent of total UNHCR 1995 expenditure ($1,143 million). NGOs made up 72 per cent of UNHCR's implementing partners and were responsible for 71 per cent of the total disbursements, implementing 1073 projects of the total mentioned above.

32. The Advisory Committee notes the proposals in paragraph 10 (a) and (b) and paragraphs 12 and 13 of UNHCR's report which refer mainly to the improvements for the selection of implementing partners and to the audit certification of selected projects. Given the large size of the operational activities of the Office, the Advisory Committee believes that pre-qualification and interim audits of NGO implementing partners would not be sufficient; the Committee recommends that efforts should be made to enhance audit, and that the adequacy of covering 10 to 15 per cent of the total sub-projects in any given year be reviewed (paras.14 and 15). The Advisory Committee believes that with decentralization of activities as proposed in Project Delphi (see paragraph 40 below), UNHCR's capacity to monitor and oversee decentralized activities will have to be enhanced accordingly. An appropriate increase in resources as well as proper planning and execution of audits and inspections are essential and warranted given the level of resources and complexity of UNHCR's Programme.

33. The Advisory Committee was informed that UNHCR had five Professional level personnel involved in overall inspection and evaluation functions and was also covering the salary and common staff costs relating to eight professional and three General Service posts in the audit and management consulting division of the United Nations OIOS. (see A/AC.96/854). In this connection, the Advisory Committee draws attention to document EC/46/SC/CRP.48 (paras. 85 to 89). The Committee notes the proposal to enhance the audit function of UNHCR in view of the increased decentralization. The Committee also notes that "this enhancement envisages, subject to further consultations with the United Nations Office of Internal Oversight Services, UNHCR having its own internal audit function. It is also intended to set up an oversight Committee to ensure effective review and follow-up of all reports related to oversight". (para. viii in the overview in CRP.48). The Advisory Committee agrees that resources for internal audit should be increased significantly. However, the question of the placement of the audit function and the manner of providing audit services is a policy issue which should be considered by the General Assembly in the context of the Secretary-General's report to be submitted pursuant to General Assembly resolution 48/218 B, taking into account the views of the relevant legislative bodies.

Evaluation

34. The Advisory Committee recalls that in its report A/AC.96/854 it had requested that a progress report on the functioning of the Inspection and Evaluation Service in UNHCR be provided in the context of UNHCR's budget proposal and that the information be incorporated in the main budget document. While the Advisory Committee has no objection to a separate document on the subject (A/AC.96/870), details on specific problems identified and addressed and the mechanisms used for follow-up and implementation of the recommendations of the Service, as well as ensuing

changes and improvements should be reflected in the Overview document. In other words, the Overview document should indicate to what extent changes and improvements are a result of such audit and inspections.

Training

38. As indicated in paragraph 58 (Ch. VIII) of the Overview document, training for UNHCR staff is budgeted under Programme Delivery (PD) or Administrative Support (AS). Depending on the nature of the training, whether administration and related fields or related to Programme Delivery. For non-UNHCR staff, training is included under operations/activities carried out under Other Programmes and country operational projects. Beneficiaries of UNHCR's training include UNHCR staff, staff of implementing partners and government officials of refugees hosting nations.

39. As indicated in paragraphs 61 to 99 (Ch. VIII) of the Overview document, the following training programmes are envisaged: Protection and Refugee Law, Emergency Training, Programme Management, Registration/Statistics Training, People-Oriented Planning (POP), Resettlement Training, Information Database Training, Data Processing and Communications Training, Personnel Administration, Security Training, and Stress Management Training. Since it is not easy to ascertain the total costs involved for these and other training programmes being undertaken by UNHCR, the Advisory Committee requests that future budget submissions should contain, in tabular form if possible, an indication of the total resources estimated or allocated for training programmes regardless of budget category.

40. The Advisory Committee recalls that the overall estimated cost included in the budget for 1996 for training was $6.3 million. (see A/AC.96/854, para. 19). The Advisory Committee was informed that this estimate has now been revised and that the overall cost for training programmes in 1996 would be $7.6 million. The overall estimate for training programmes in 1997 was not made available to the Advisory Committee.

41. While the Advisory Committee welcomes the establishment and work of the Training Advisory Board, the Committee also notes the comments of the Board of Auditors in paragraphs 110 to 114 of its report for the period ending 31 December 1995. The Board of Auditors noted that of a total of about 5 700 implementing agencies' personnel trained by UNHCR in 1995, only 1 were trained in Administration and Finance and 6 in Procurement and Logistics, areas in which the Board had identified weaknesses in UNHCR's operating capabilities. In this connection the Advisory Committee recalls its comments that the High Commissioner ensure that training programmes are cost effective and that they are designed to address specific problems, the solution to which would enhance UNHCR's capability to deliver its mandated activities (A/C.5/50/54, para. 19).

42. In its report, the Board of Auditors also indicated that it was of the view that obtaining a commitment from sponsoring agencies that the personnel selected for training would continue to work for a reasonable period in the areas in which they were provided training, would enhance the

effectiveness of UNHCR's training efforts; The Board recommended that appropriate procedures be formulated to encourage sponsoring agencies to place their trained personnel for an appropriate period of time in the areas in which training was given. The Advisory Committee agrees with the Board of Auditors recommendation and believes that every effort should be made to obtain such a commitment from sponsoring agencies.

Project Delphi

40. The Advisory Committee had before it the Plan of Action for Project Delphi (EC/46/SC/CRP.48); this document was only available to the Committee on the day of the meetings with the representatives of the High Commissioner. The Committee was informed that an earlier document on Project Delphi (EC/46/SC/CRP.38) had been presented to the Standing Committee in June 1996 and that at each session of the Standing Committee in 1996, an oral progress report on Project Delphi had been presented; the fourth meeting of the Standing Committee, scheduled for September/October 1996 would review the document on the Plan of Action for Project Delphi (CRP.48).

41. The Advisory Committee was also informed that Project Delphi had progressed through two of its three phases. Phase I resulted in a report which had outlined a conceptual framework for the changes believed necessary for UNHCR to become a more responsive and effective organization; this report was presented in summary form to the Standing Committee at its meeting in June 1996 (EC/46/SC/CRP.38). Phase II comprised the management reviews and resulted in the Plan of Action (CRP.48). The Plan of Action recalls some of the overreaching principles for change as set out in paragraphs 5 to 11 of document EC/46/SC/CRP.48. The Advisory Committee was also informed that a number of these principles echoed the points mentioned in the 1995 report of the Committee (A/AC.96/854, para.15).

42. While the Plan of Action will be presented to the Standing Committee at its September-October 1996 meeting, a more detailed assessment of the financial implications of the Plan is scheduled to be presented to the January 1997 session of the Standing Committee. Subject to the outcome of the review by the Executive Committee of the Plan of Action, Phase III (Implementation Phase) of Project Delphi would begin. The Advisory Committee was informed that a breakdown of the estimated costs of the components of the Action Plan would also be presented to the Executive Committee through the January 1997 session of the Standing Committee. In this connection, the Advisory Committee reiterates its request that the High Commissioner ensure, to the extent possible, that staffing and management reviews take place prior to legislative review of the proposed budget, and whenever possible, prior to the publication of the budget document. Reviews which take place after the ACABQ and Executive Committee have considered the budget estimates result in ex post facto actions which complicate the process of legislative oversight and approval (A/AC.96/854, para.17). The Advisory Committee trusts that implementation of the Project will be in the context of a realistic time frame and that efforts will be made to minimize disruption of UNHCR's activities, particularly in the field. In the absence of clear indication of the costs of the project and procedures for its management, the

Advisory Committee is unable to have a firm position on the administrative and financial implications of Project Delphi.

43. The Advisory Committee raised questions on the relationship of other existing projects mentioned in the budget documentation (IMIS, CMS, VSAT, Asset Management) to Project Delphi. The Advisory Committee was informed that it was envisaged that the Project would provide a conceptual planning and management framework within which these projects could be better undertaken. That being the case, the Advisory Committee believes that the relationship between Project Delphi and these other projects should have been better highlighted since as currently presented, the documentation seems to contain a range of disparate, unrelated projects without a central, strategic vision. The Advisory Committee also believes that UNHCR would first have to set up its information technology strategy in order to be able to sustain the various other components of Project Delphi.

44. The Advisory Committee enquired as to the delay utilizing the IMIS for UNHCR's operations. The Advisory Committee was informed that this was as a result of the slippage in the implementation of IMIS in New York and the resultant inability of UNHCR to establish whether IMIS would be appropriate for UNHCR's needs, especially with regard to budget preparation. Further hesitation over adopting the IMIS system was as a result of the management review process (Project Delphi) when it was believed that no decision could be taken as regards IMIS until such time as a full understanding of the strategic direction of UNHCR had been established. However, the Advisory Committee was informed some of the problems having been resolved and its concerns allayed, UNHCR was now in a better position to participate in the further development, modification and enhancement of IMIS. The Advisory Committee trusts that in pursuing its information technology strategy, including the utilization of VSATs etc. the UNHCR will adopt an approach in cooperation with the United Nations and its programmes and operations as recommended by the Advisory Committee in its reports in 1994 and 1995. (A/AC.96/834 and A/AC.96/854).

UNHCR Expenditure and Resources -- General and Special Programmes, with PDC breakdown for the period 1993 to 1995 and revised estimates for 1996

ALLOCATIONS/ SOURCE OF FUNDS	1993		1994		1995		1996 *	
	US$ '000	%	US$ '000	%	US$ '000	%	US$ '000	%
I. -- GENERAL PROGRAMMES								
A) Expenditure/Revised Estimates								
-- Operations (excl. PDC)	275,821.8	70.3%	251,889.1	64.5%	238,648.4	58.9%	278,102.5	62.4%
-- PDC	60,653.5	15.5%	110,337.9	28.2%	131,765.1	32.5%	132,566.1	29.8%
-- Admin. Support	55,927.6	14.3%	28,470.4	7.3%	34,644.8	8.6%	34,658.4	7.8%
TOTAL	**392,402.9**	**100.0%**	**390,697.4**	**100.0%**	**405,058.3**	**100.0%**	**445,327.0**	**100.0%**
-- B) Total Resources	$447,763.00		$446,930.00		$456,820.90		$399,962.60	
of which carry-over from previous year	$69,721.00		$55,360.00		$56,232.90		$51,762.60	
II. -- SPECIAL PROGRAMMES								
A) Expenditure/Revised Estimates								
-- Operations (excl. PDC)	791,710.3	86.6%	614,577.5	79.3%	551,104.6	75.0%	685,436.7	77.2%
-- PDC	115,338.5	12.6%	125,784.8	16.2%	139,376.7	19.0%	149,788.4	16.9%
-- Admin. Support	7,300.0	0.8%	35,051.1	4.5%	44,713.6	6.1%	52,074.9	5.9%
TOTAL	**914,348.8**	**100.0%**	**775,413.4**	**100.0%**	**735,194.9**	**100.0%**	**887,300.0**	**100.0%**
-- B) Total Resources	$1,148,077.00		$1,033,704.00		$982,360.90		$828,678.30	
of which carry-over from previous year	$179,562.00		$233,449.00		$262,043.90		$244,478.30	
III. -- TOTAL GP + SP								
A) Expenditure/Revised Estimates								
-- Operations (excl. PDC)	1,067,532.1	81.7%	866,466.6	74.3%	789,753.0	69.3%	963,539.2	72.3%
-- PDC	175,992.0	13.5%	236,122.7	20.2%	271,141.8	23.8%	282,354.5	21.2%
-- Admin. Support	63,227.6	4.8%	63,521.5	5.4%	79,358.4	7.0%	86,733.3	6.5%
TOTAL	**1,306,751.7**	**100.0%**	**1,166,110.8**	**100.0%**	**1,140,253.2**	**100.0%**	**1,332,627.0**	**100.0%**
-- B) Total Resources	$1,595,840.00		$1,480,634.00		$1,439,181.80		$1,228,640.90	
of which carry-over from previous year	$249,283.00		$288,809.00		$318,276.80		$296,240.90	

* **Revised estimates and projected resources as at 1 September 1996.** **[PCBS/10/09/96]**